

SENATOR WITHEM: Yes, Mr. President, and members of the body, this particular question has been one that has plagued those of us on the School Finance Review Commission as we go around the state talking to citizens about LB 1059 and what it will do. One of the first questions, of course, is, does this bill guarantee property tax reduction? And you explain to them how the funding mechanism works for schools and most of the people out there, once you go through that explanation, they understand how, yes, schools' property tax askings will go down. But the next question you get almost universally is, won't the other subdivisions of government come in and eat up the increase then? If they know property taxes are going down for schools, they will feel more comfortable, and pretty soon those other subdivisions will eat it all up. I have been a defender of the other subdivision in those meetings. I have been a defender from early on when we were talking about budget increases that may be in existence in LB 1130, and the Jaksha approach. But more and more as I hear that, the more and more I am asking, and, frankly, I don't know what direction I am going to push my button when it comes time to push the button on the Conway amendment, but more and more I understand the rationale for some type of guarantee that the property taxes will go down in those areas that do get increased state aid to schools, that it not be another hollow promise that comes from state government concerning what we are going to do on the local level, and then not follow through with it. On the other hand, I have never...I have not been comfortable including the other subdivisions bringing them under, in effect, a penalty type of provision because they aren't benefiting from this. The schools, we have been...had very frank, harsh discussions with a number of the school people around the state saying, if you expect us to fix the school finance problems in this state, part of the price of that is going to have to be a budget limitation. If you are expecting us to underwrite 45 percent of the cost of education, and expect us to be a signer on a two-party check, one of two parties signing a check, we have to have some input on what those numbers will be. For the cities and the counties and the other subdivisions, we are not doing that. We are not doing that. We are not giving them any increased revenues to fund their programs. So that mitigates against support for this. The Moore approach, that we need to send it very clear that if they do have huge increases in their budgets, we can look at that next year, and we can do retroactive lids. We have seen that proposed by the Governor and in the bill that Senator Warner is carrying. That can be done, and we will look